

## Message Text

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ORIGIN TRSE-00

INFO OCT-01 SS-14 ISO-00 NEA-06 NSC-05 NSCE-00 EB-03 L-01

PRS-01 INR-05 CIAE-00 SP-02 /038 R

DRAFTED BY TREAS:OMEA/JNEWMAN

APPROVED BY NEA:HHSAUDERS

TREAS:OMEA:GPASKY

NEA/IAI:WBSMITH

ERMPOATS

NEA :HHSAUDERS

S/S:JPMOFFAT

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R 082137Z FEB 75

FM SECSTATE WASHDC

TO AMEMBASSY TEL AVIV

C O N F I D E N T I A L STATE 029572

LIMDIS

E.O. 11652: GDS

TAGS: USISJC

SUBJECT: US ISRAEL JOINT COMMITTEE

1. ECONOMIC MINISTER SHER MET WITH TREASURY ASSISTANT SECRETARY PARSKY FEBRUARY 3 TO DISCUSS QUESTION OF RESCHEDULING MEETING OF JOINT COMMITTEE ON TRADE AND INVESTMENT. SHER INDICATED THAT GOI DECIDED AGAINST HOLDING MEETING ON FEBRUARY 3 ON TWO GROUNDS: (A) EXTREMELY SHORT NOTICE GIVEN BY US SIDE; (B) INABILITY OF US SIDE TO DELIVER A PROPOSED JOINT STATEMENT OUTLINING RESULTS WHICH WE FELT COULD COME OUT OF SUCH A MEETING. SHER SAID GOI DOES NOT WISH TO RESCHEDULE MEETING, ONLY TO HAVE IT POSTPONED ONCE AGAIN. HE INDICATED THAT BEFORE GOI COULD AGREE TO SETTING NEW DATES, GOI WOULD WANT A COPY OF A JOINT STATEMENT WHICH US COULD AGREE TO ISSUE AT CONCLUSION OF COMMITTEE MEETING. PARSKY  
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INDICATED THAT HE WOULD AIM TO GIVE THE ISRAELIS A COPY OF

JOINT STATEMENT BY MARCH 1.

2. SHER SAID GOI WOULD ALSO LIKE TO SEE CONCRETE ACTION IN THE THREE AREAS IN WHICH US HAD SAID IT WAS NOW PREPARED TO MOVE AHEAD: BSF, DESALTING PLANT AND TAX TREATY IN PREPARATION FOR MINISTERIAL. WITH RESPECT TO BSF, SHER SAID ISRAELIS DID NOT WANT TO UNDERTAKE FORMAL NEGOTIATIONS UNTIL THEY KNEW US POSITION PARTICULARLY SINCE THEY DID NOT UNDERSTAND WHAT THE UNRESOLVED ISSUES WERE EXCEPT FOR

TIMING AND LEVEL OF INCREASE IN ENDOWMENT. WE EXPLAINED OTHER ISSUES INCLUDING LEVEL OF INTEREST RATE WERE INVOLVED. SHER AND PARSKY AGREED THAT BEST METHOD OF MOVING THIS ISSUE FORWARD WOULD BE FOR US TO PROVIDE SHER BY FEBRUARY 25, PAPER CONTAINING US POSITION ON DESIRED CHANGES IN BSF ARRANGEMENTS. SHER AND PARSKY ALSO AGREED THAT WORK SHOULD BEGIN AS SOON AS POSSIBLE ON DISCUSSING DETAILS OF PROJECT AGREEMENT FOR DESALTING PLANT. SHER SAID HE UNDERSTOOD TECHNOLOGY HAD CHANGED SUBSTANTIALLY SINCE PILOT PROJECT ORIGINALLY CONCEIVED AND NEW APPROACH MAY BE NECESSARY. FINALLY IT WAS AGREED THAT TAX OFFICIALS FROM BOTH COUNTRIES WOULD ATTEMPT TO WORK OUT AGREEMENT IN PRINCIPLE ON INDIVIDUAL TAX CONVENTION BY MARCH 1. FYI. US TAX OFFICIALS WILL BE IN DIRECT CONTACT WITH ISRAELIS TO ESTABLISH DATES FOR MEETING WITH ISRAEL TO GO OVER LAST REMAINING POINTS. END FYI.

3. AFTER ISRAEL HAS HAD TIME TO ASSESS STATUS WITH RESPECT TO THESE THREE ISSUES AND REVIEW JOINT STATEMENT WORDING ON OTHER ISSUES THAT HAD BEEN "AGREED" IN JERUSALEM MEETING OF SUBCOMMITTEES, GOI WILL THEN FOCUS ON QUESTION OF WHETHER JOINT COMMITTEE MEETING SHOULD TAKE PLACE AND WHEN. KISSINGER

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## Message Attributes

**Automatic Decaptoning:** Z  
**Capture Date:** 01 JAN 1994  
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**Current Classification:** UNCLASSIFIED  
**Concepts:** INTERGOVERNMENTAL COOPERATION, COMMITTEE MEETINGS, DEBT REPAYMENTS  
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**Draft Date:** 08 FEB 1975  
**Decaption Date:** 28 MAY 2004  
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**TAGS:** EGEN, IS, USISJC  
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